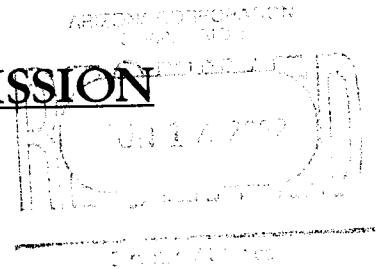
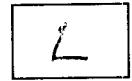


ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION



ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



W-01557A
LAKE VERDE WATER COMPANY
P.O. BOX 2777
CAMP VERDE AZ 86322-

ANNUAL REPORT

FOR YEAR ENDING

12	31	2001
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FOR COMMISSION USE

ANN04	01
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Processed by:

6-14-02 cm

SCANNED

COMPANY INFORMATION

Company Name (Business Name) LAKE VERDE WATER COMPANY INC.

Mailing Address P.O. Box 2777

CAMP VERDE
(City)

ARIZONA
(State)

86322
(Zip)

928-567-9141

928-567-4387

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address VAN CHERY CREEK @ EARTH LINK . NET

Local Office Mailing Address _____
(Street)

(City)

(State)

(Zip)

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address VAN CHERY CREEK @ EARTH LINK . NET

MANAGEMENT INFORMATION

Management Contact: VAN McDONALD PRESIDENT
(Name) (Title)

143 WALKER
(Street)

CAMP VERDE
(City)

AZ
(State)

86322
(Zip)

928-567-9141

928-567-4387

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address VAN CHERY CREEK @ EARTH LINK . NET

On Site Manager: VAN McDONALD (CAMP VERDE)
(Name)

SAME AS ABOVE

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

Statutory Agent: VAN McDONALD
(Name)

143 WALKER CAMP VERDE AZ 86322
(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Attorney: FENNEMORE CRAIG (JAY SHAPIRO ESQ)
(Name)

3003 N. CENTRAL AVE SUITE 2600 PHX AZ 85012
(Street) (City) (State) (Zip)

602-916-5000 602-916-5999
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|---|
| <input type="checkbox"/> Sole Proprietor (S) | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input checked="" type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

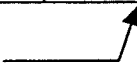
- | | | |
|-------------------------------------|---|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input checked="" type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME LAKE VERDE WATER COMPANY, INC.

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	7,590	3,036	4,554
302	Franchises			
303	Land and Land Rights	10,000	0	10,000
304	Structures and Improvements			
307	Wells and Springs	5,016	502	4,514
311	Pumping Equipment	13,298	1,330	11,968
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains	19,032	1,902	17,130
333	Services			
334	Meters and Meter Installations	955	96	859
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	380	108	272
341	Transportation Equipment	1,925	770	1,155
343	Tools, Shop and Garage Equipment	1,894	542	1,352
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	60,090	8,286	51,804

This amount goes on the Balance Sheet Acct. No. 108



CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	7,590	.2000	1,518
302	Franchises			
303	Land and Land Rights	10,000	.0000	0
304	Structures and Improvements			
307	Wells and Springs	5,016	.0500	251
311	Pumping Equipment	13,298	.0500	665
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains	19,032	.0500	951
333	Services			
334	Meters and Meter Installations	955	.0500	48
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	380	.1429	54
341	Transportation Equipment	1,925	.2000	385
343	Tools, Shop and Garage Equipment	1,894	.1429	271
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	60,090		4,143

This amount goes on Comparative Statement of Income and Expense Acct. No. 403.

COMPANY NAME	LAKE VERDE WATER COMPANY, INC.
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BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 4,889	\$ 3,224
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	52,500	47,500
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 57,389	\$ 50,724
	FIXED ASSETS		
101	Utility Plant in Service	\$ 60,090	\$ 60,090
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	4,143	8,286
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 55,947	\$ 51,804
	TOTAL ASSETS	\$ 113,336	\$ 102,528

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies	4,140	4,490
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 4,140	\$ 4,490
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$	\$
	TOTAL LIABILITIES	\$ 4,140	\$ 4,140
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 90,000	\$ 90,000
211	Paid in Capital in Excess of Par Value	19,200	19,200
215	Retained Earnings	(4)	(11,162)
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 109,196	\$ 98,038
	TOTAL LIABILITIES AND CAPITAL	\$ 113,336	\$ 102,528

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 13,738	\$ 11,719
460	Unmetered Water Revenue		
474	Other Water Revenues		
	TOTAL REVENUES	\$ 13,738	\$ 11,719
	OPERATING EXPENSES		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power	966	1,267
618	Chemicals	1,872	1,880
620	Repairs and Maintenance		1,093
621	Office Supplies and Expense		1,605
630	Outside Services	1,564	1,751
635	Water Testing	186	480
641	Rents		
650	Transportation Expenses		8,575
657	Insurance – General Liability		470
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	4,299	
403	Depreciation Expense	4,143	4,143
408	Taxes Other Than Income	712	746
408.11	Property Taxes	NONE	817
409	Income Tax		50
	TOTAL OPERATING EXPENSES	\$ 13,742	\$ 22,877
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/EXP	\$	\$
	NET INCOME/(LOSS)	\$ (4)	\$ (11,158)

COMPANY NAME

LAKE VERDE WATER COMPANY, INC.

SUPPLEMENTAL FINANCIAL DATA**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	N / A			
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate				
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ NONE

Meter Deposits Refunded During the Test Year

\$ NONE

COMPANY NAME

LAKE VERDE WATER COMPANY, INC.

WATER COMPANY PLANT DESCRIPTION**WELLS**

ADWR ID Number	Pump Horsepower	Pump Yield (Gpm)	Casing Size (inches)	Meter Size (inches)
643828	2 HP	22	8"	1.5"

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

TOTAL GALLONS PUMPED (NOT SOLD) THIS YEAR (thous.) = 179,162

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
N/A		N/A	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
6,000	1	2,000	2

STATISTICAL INFORMATION

Total number of customers	60	
Total number of gallons sold	1,921,000	gallons

COMPANY NAME	LAKE VERDE WATER COMPANY, INC.	YEAR ENDING 12/31/2001
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INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	(11,158)
Estimated or Actual Federal Tax Liability	<u>0</u>

State Taxable Income Reported	(11,158)
Estimated or Actual State Tax Liability	<u>0</u>

Amount of Grossed-Up Contributions/Advances: N/A

Amount of Contributions/Advances _____
Amount of Gross-Up Tax Collected _____
Total Grossed-Up Contributions/Advances _____

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Val M. T. 2/2
SIGNATURE

6/13/02

DATE

VANCE L. McDONALD
PRINTED NAME

PRESIDENT	TITLE
1	
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COMPANY NAME LAKE VERDE WATER COMPANY, INC. **YEAR ENDING 12/31/2001**

WATER AND SEWER UTILITIES ONLY

PROPERTY TAXES

Indicate the amount of actual property taxes paid during this reporting period (Calendar Year 2001)

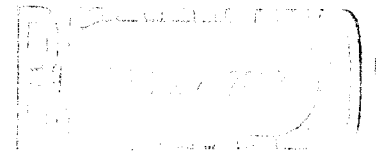
\$ 817.07

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled Checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain reasons below:

<hr/> <hr/> <hr/> <hr/> <hr/>

**VERIFICATION
AND
SWORN STATEMENT**
Intrastate Revenues Only



VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <u>YAVAPAI</u>
NAME (OWNER OR OFFICIAL) TITLE <u>VANCE L. MCDONALD, PRESIDENT</u>
COMPANY NAME <u>LAKE VERDE WATER COMPANY, INC.</u>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA COPORATION COMMISSION

FOR THE YEAR ENDING

MONTH <u>12</u>	DAY <u>31</u>	YEAR <u>2001</u>
--------------------	------------------	---------------------

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2001 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)
\$ <u>11,719</u>

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 746
IN SALES TAXES BILLED, OR COLLECTED

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

Vance L. McDonald
SIGNATURE OF OWNER OR OFFICIAL
928-567-9141
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 12TH DAY OF

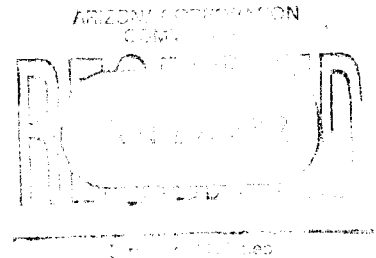
COUNTY NAME <u>MARICOPA</u>	
MONTH <u>JUNE</u>	<u>20 02</u>

MY COMMISSION EXPIRES

SEPTEMBER 3, 2003

Janice M. Morford
SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**



VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME)	
MARICOPA	
NAME (OWNER OR OFFICIAL)	TITLE
VANCE L. McDONALD	PRESIDENT
COMPANY NAME	
LAKE VERDE WATER COMPANY, INC.	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2001

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2001 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ <u>11,719</u>

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 746
IN SALES TAXES BILLED, OR COLLECTED

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**

X Vance L. McDonald
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 13TH **DAY OF**

(SEAL)

MY COMMISSION EXPIRES 9/30/2003

NOTARY PUBLIC NAME	
JANICE M. MORFORD	
COUNTY NAME	
MARICOPA	
MONTH	YEAR
JUNE	2002

X Janice M. Morford
SIGNATURE OF NOTARY PUBLIC

1855

PA. BOX 377 00-07-014
CANT VERDE, AZ 85521

1046997

DEC 2001

ROSS D. JACOB S

817.07

07/00

WELLS FARGO BANK
CANT VERDE, AZ 85521

W. 01

403-4-004 A2

Van 1

12210552108763649129 1855

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Yavapai County

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STEVEN -
Both sides of ✓ #1855